

# Appendix C.

## Definitions

**Access.** The ability and opportunity to obtain knowledge of classified information.

**Adverse Information.** Any information that adversely reflects on the integrity or character of a cleared employee, that suggests that his or her ability to safeguard classified information may be impaired, or that his or her access to classified information clearly may not be in the interest of national security.

**Affiliate.** Any entity effectively owned or controlled by another entity.

**Approved Access Control Device.** An access control device that meets the requirements of this Manual as approved by the FSO.

**Approved Built-in Combination Lock.** A combination lock, equipped with a top-reading dial, that conforms to Underwriters' Laboratories, Inc. Standard Number, UL 768, Group 1R.

**Approved Combination Padlock.** A three-position dial-type changeable combination padlock listed on the GSA Qualified Products List as meeting the requirements of Federal Specification FF-P- 110.

**Approved Electronic, Mechanical, or Electro-mechanical Device.** An electronic, mechanical, or electro-mechanical device that meets the requirements of this Manual as approved by the FSO.

**Approved Key-Operated Padlock.** A padlock, which meets the requirements of MIL-SPEC-P-43607 (shrouded shackle), National Stock Number 5340-00-799-8248, or MIL-SPEC-P-43951 (regular shackle), National Stock Number 5340-00-799-8016.

**Approved Security Container.** A security file container, originally procured from a Federal Supply Schedule supplier that conforms to federal specifications and bears a "Test Certification Label" on the locking drawer attesting to the security capabilities of the container and lock. Such containers will be labeled "General Services Administration Approved Security Container" on the face of the top drawer. Acceptable

tests of these containers can be performed only by a testing facility specifically approved by GSA.

**Approved Vault.** A vault that has been constructed in accordance with this Manual and approved by the CSA.

**Approved Vault Door.** A vault door and frame unit originally procured from the Federal Supply Schedule (FSC Group 71, Part III, Section E, FSC Class 71 10), that meets Federal Specification AA-D-600.

**Authorized Person.** A person who has a need-to-know for classified information in the performance of official duties and who has been granted a personnel clearance at the required level.

**Automated Information System.** An assembly of computer hardware, software, and firmware configured for the purpose of automating the functions of calculating, computing, sequencing, storing, retrieving, displaying, communicating, or otherwise manipulating data, information and textual material.

**Automated Information System Security.** All security safeguards needed to provide an acceptable level of protection for Automated Information Systems and the classified data processed.

**Classification Authority.** The authority that is vested in a government official to make an initial determination that information requires protection against unauthorized disclosure in the interest of national security.

**Classified Contract.** Any contract that requires or will require access to classified information by a contractor or his or her employees in the performance of the contract. (A contract may be a classified contract even though the contract document is not classified.) The requirements prescribed for a "classified contract" also are applicable to all phases of **precontract** activity, including solicitations (bids, quotations, and proposals), **precontract** negotiations, post-contract activity, or other Government Contracting Agency program or project which requires access to classified information by a contractor.

**Classification Guide.** A document issued by an authorized original classifier that prescribes the level of classification and appropriate declassification instructions for specific information to be classified on a derivative basis. (Classification guides are provided to contractors by the Contract Security Classification Specification.)

**Classified Information.** The term includes National Security Information, Restricted Data, and Formerly Restricted Data.

**Classified Information Procedures Act.** A law that provides a mechanism for the courts to determine what classified information the defense counsel may access.

**Classified Visit.** A visit during which the visitor will require, or is expected to require, access to classified information.

**Classifier.** Any person who makes a classification determination and applies a classification category to information or material. The determination may be an original classification action or it may be a derivative classification action. Contractors make derivative classification determinations based on classified source material, a security classification guide, *or* a Contract Security Classification Specification.

**Cleared Commercial Carrier.** A carrier that is authorized by law, regulatory body, or regulation to transport SECRET material and has been granted a SECRET facility clearance.

**Cleared Employees.** All contractor employees granted a personnel security clearance (PCL) and all employees in-process for a PCL.

**Closed Area.** An area that meets the requirements of this Manual, as approved by the CSA, for the purpose of safeguarding classified material that, because of its size or nature, or operational necessity, cannot be adequately protected by the normal safeguards or stored during nonworking hours in approved containers. (See 5-306.)

**Cognizant Security Agency.** Agencies of the Executive Branch that have been authorized by E.O. 12829 to establish an industrial security program for the purpose of safeguarding classified information under the jurisdiction of those agencies when disclosed or released to U.S. Industry. These agencies are: The Department of Defense, the Department of Energy, the Central Intelligence Agency, and the Nuclear Regulatory Commission.

The Secretary of Defense (SECDEF) has been designated as Executive Agent for the NISP. Heads of the Executive Branches are required to enter into agreements with the SECDEF that establish the terms of the SECDEF's responsibilities on behalf of these agency heads for administration of industrial security on their behalf.

**Cognizant Security Office.** The office or offices delegated by the Head of a CSA to administer industrial security in a contractor's facility on behalf of the CSA.

**Colleges and Universities.** All educational institutions that award academic degrees, and related research activities directly associated with a college or university through organization or by articles of incorporation.

**Communications Intelligence.** Technical and intelligence information derived from foreign communications by other than the intended recipient.

**Communications Security.** Protective measures taken to deny unauthorized persons information derived from telecommunications of the U.S. Government relating to national security and to ensure the authenticity of such communications.

**Company.** A generic and comprehensive term which may include sole proprietorships, individuals, partnerships, corporations, societies, associations, and organizations usually established and operating to commonly prosecute a commercial, industrial or other legitimate business, enterprise, or undertaking.

**Compromise.** The disclosure of classified information to an unauthorized person.

**CONFIDENTIAL.** The designation that shall be applied to information or material the unauthorized disclosure of which could be reasonably expected to cause damage to the national security.

**Consignee.** A person, firm, or government activity named as the receiver of a shipment; one to whom a shipment is consigned.

**Consignor.** A person, firm, or government activity by whom articles are shipped. The consignor is usually the shipper.

**Constant Surveillance Service.** A transportation protective service provided by a commercial carrier qualified by MTMC to transport CONFIDENTIAL shipments. The

service requires constant **surveillance** of the shipment at all times by a qualified carrier representative, however, a facility clearance is not required for the carrier. The carrier providing the service must maintain a signature and tally record for the shipment.

**Continental Limits of the United States.** U.S. territory, including the adjacent territorial waters located within the North American continent between Canada and Mexico.

**Contracting Officer.** A government official who, in accordance with departmental or agency procedures, currently is designated as a contracting officer with the authority to enter into and administer contracts, and make determinations and findings with respect thereto, or any part of such authority. The term also includes the designated representative of the contracting officer acting within the **limits** of his or her authority.

**Contractor.** Any industrial, educational, commercial, or other entity that has been granted an FCL by a CSA.

**Courier.** A cleared employee, designated by the contractor, whose principal duty is to transmit classified material to its destination. The classified material remains in the personal possession of the courier except for authorized overnight storage.

**Conversion Rights.** The right inherent in the ownership or holding of particular securities to exchange such securities for voting securities.

**Critical Nuclear Weapon Design Information.** A DoD category of weapon data designating TOP SECRET Restricted Data or SECRET Restricted Data revealing the theory of operation or design of the components of a thermonuclear or implosion-type fission bomb, warhead, demolition munition, or test device.

**Custodian.** An individual who has possession of, or is otherwise charged with, the responsibility for safeguarding classified information.

**Declassification.** The determination that classified information no longer requires, in the interest of national security, any degree of protection against unauthorized disclosure, together with removal or cancellation of the classification designation.

**Declassification Event.** An event that eliminates the need for continued classification of information.

**Defense Transportation System.** Military controlled terminal facilities, Military Airlift Command controlled aircraft, Military Sealift Command controlled or arranged sealift and Government controlled air or land transportation.

**Department of Defense. The Office** of the Secretary of Defense (OSD) (including all boards, councils, staffs, and commands), DoD agencies, and the Departments of Army, Navy, and Air Force (including all of their activities).

**Derivative Classification.** A determination that information is in substance the same as information currently classified and the application of the same classification markings. Persons who only reproduce, extract, or summarize classified information, or who only apply classification markings derived from source material or as directed by a classification guide, need not possess **original classification** authority. Persons who apply derivative classification markings shall observe and respect original classification decisions and carry forward to any newly created documents any assigned authorized markings.

**Document.** Any recorded information, regardless of its physical form or characteristics, including, without limitation, written or printed matter, tapes, charts, maps, paintings, drawing, engravings, sketches, working notes and papers; reproductions of such things by any means or process; and sound, voice, magnetic, or electronic recordings in any form.

**Downgrade.** A determination that classified information requires, in the interest of national security, a lower degree of protection against unauthorized disclosure than currently provided, together with a changing of the classification designation to reflect a lower degree of protection.

Effectively **Owned or Controlled.** A foreign government or any entity controlled by a foreign government has the **power**, either directly or indirectly, whether exercised or exercisable, to control the election, appointment or tenure of the Offeror's officers, or a majority of the Offeror's board of directors by any means; e.g., ownership, contract, or operation of law (or equivalent power for unincorporated organizations).

**Embedded System.** An AIS that performs or controls a function, either in whole or in part, as an integral element of a larger system or subsystem such as, ground

support **equipment**, flight simulators, engine test stands, or fire control systems.

**Entity.** Any U.S. or foreign person.

**Escort.** A cleared employee, designated by the contractor, who accompanies a shipment of classified material to its destination. The classified material does not remain in the personal possession of the escort but the conveyance in which the material is transported remains under the constant observation and control of the escort.

**Evaluated Products List.** A documented inventory of equipments, hardware software, and/or firmware that have been evaluated against the evaluation criteria found in DoD 5200.28-STD.

**Facility.** A plant, laboratory, office, college, university, or commercial structure with associated warehouses, storage areas, utilities, and components, that, when related by function and location, form an operating entity. (A business or educational organization may consist of one or more facilities as defined herein.) For purposes of industrial security, the term does not include Government installations.

**Facility (Security) Clearance.** An administrative determination that, from a security viewpoint, a facility is eligible for access to classified information of a certain category (and all lower categories).

**Firmware.** A method of organizing control of an AIS in a microprogrammed structure in addition to, or rather than, software or hardware. Microprograms are composed of microinstructions, normally resident in read-only memory, to control the sequencing of computer circuits directly at the detailed level of the single machine instruction.

**Foreign Government.** Any national governing body organized and existing under the laws of any country other than the United States and its possessions and trust territories and any agent or instrumentality of that government.

**Foreign Government Information.** Information that is: a. Provided to the U.S. by a foreign government or governments, an international organization of governments, or any element thereof with the expectation, expressed or implied, that the information, the source of the information, or both, are to be held in confidence; or b. Produced by the U.S. pursuant to, or as a result of, a

joint arrangement with a foreign government or governments, an international organization of governments or any element thereof, requiring that the information, the arrangement, or both are to be held in confidence.

**Foreign Interest.** Any foreign government, agency of a foreign government, or representative of a foreign government; any form of business enterprise or legal entity organized, chartered or incorporated under the laws of any country other than the U.S. or its possessions and trust territories, and any person who is not a citizen or national of the United States.

**Foreign Nationals.** Any person who is not a citizen or national of the United States.

**Foreign Person.** Any foreign interest and any U.S. person effectively owned or controlled by a foreign interest.

**Foreign Recipient.** A foreign government or international organization, to whom the U.S. is providing classified material.

**Formerly Restricted Data.** Classified information jointly determined by the DOE and its predecessors and the DOD to be related primarily to the military utilization of atomic weapons and removed by the DOE from the Restricted Data category pursuant to section 142(d) of the Atomic Energy Act of 1954, as amended, and safeguarded as National Security Information, subject to the restrictions on transmission to other countries and regional defense organizations that apply to Restricted Data.

**Freight Forwarder (Transportation Agent).** Any agent or facility designated to receive, process, and transship U.S. material to foreign recipients. In the context of this Manual, an agent or facility cleared specifically to perform these functions for the transfer of U.S. classified material to foreign recipients.

**Government-To-Government Channels.** Transfers by government officials through official channels or through other channels specified by the governments involved.

**Government Contracting Activity.** An element of an agency designated by the agency head and delegated broad authority regarding acquisition functions.

**Handcarrier.** A cleared employee, designated by the contractor, who occasionally handcarries classified

material to its destination in connection with a classified visit or meeting. The classified material remains in the personal possession of the **handcarrier** except for authorized overnight storage.

**Home Office Facility.** The headquarters facility of a multiple facility organization.

**Independent Research and Development** A contractor funded research and development effort that is not sponsored by, or required in performance of, a contract or grant that consists of projects falling within the areas of basic research; applied research; development; and systems, and other concept formulation studies.

**Industrial Security.** That portion of information security which is concerned with the protection of classified information in the custody of U.S. industry.

**Information.** Any information or material, regardless of its physical form or characteristics.

**Information Security.** The result of any system of administrative policies and procedures for identifying, controlling, and protecting from unauthorized disclosure, information the protection of which is authorized by executive order.

**Information System Security Officer.** The contractor employee responsible for the implementation of Automated information Systems security, and operational compliance with the documented security measures and controls, at the contractor facility.

**Intelligence.** Intelligence is the product resulting from the collection, evaluation, analysis, integration, and interpretation of **all** available information, that concerns **one** or more aspects of foreign nations or of areas of foreign operations, and that is immediately or potentially significant to military planning and operations.

**Intelligence Information.** Information that is under the jurisdiction and control of the Director of Central Intelligence or a member of the Intelligence Community.

**Intelligent Terminal.** An AIS term that means a terminal that is programmable, able to accept peripheral devices, able to connect with other terminals or computers, able to accept additional memory, or which may be modified to have these characteristics.

**Letter of Consent.** The form used by the CSA to notify a contractor that a **PCL** or a Limited Access Authorization has been granted to an employee.

**Letter of Offer and Acceptance (LOA).** United States Department of Defense Offer and Acceptance that, when executed, provides that the U.S. offers to sell, subject to terms and conditions contained therein, defense material to a foreign government, and the foreign government accepts the offer, subject to those terms and conditions.

**Military Export Sales.** Military Export Sales may be divided into Foreign Military Sales (FMS) under the AECA, sales under Section 607 of the Foreign Assistance Act (FAA) and Direct Commercial Sales. FMS and FAA are government-to-government transactions. For these sales, the DoD purchases **articles** and services from U.S. firms, takes title to the equipment, or has title to the articles to be sold from U.S. stocks, and sells the articles or services to the foreign buyer. For direct commercial sales, the U.S. firm sells directly to the foreign government or international organization.

**Limited Access Authorization.** Security access authorization to **CONFIDENTIAL** or **SECRET** information granted to non-U.S. citizens requiring such limited access in the course of their regular duties.

**Material.** Any product or substance on, or in which, information is embodied.

**Multiple Facility Organization.** A legal entity (single proprietorship, partnership, association, trust, or corporation) that is *composed* of two or more facilities.

**National of the United States.** A national of the United States is: a. A citizen of the United States, or, b. A person who, though not a citizen of the United States, owes permanent allegiance to the United States.

**NOTE: 8 U.S. C. 1101(a)(22).** 8 U.S. C. 1401, subsection (a) lists in paragraphs (1) through (7) categories of persons born in and outside the United States or its possessions who *may qualify as nationals of the United States*. This subsection should be consulted when doubt exists as to whether or not a person can *qualify as a national of the United States*.

**National Security.** The national defense and foreign relations of the United States.

**National Security Information.** Any information that has been determined pursuant to **E.O. 12356** or any predecessor order to require protection against unauthorized disclosure and is so designated. The classifications TOP SECRET, SECRET, and CONFIDENTIAL are used to designate such information and it is referred to as “classified information.”

**NATO Information.** Information bearing NATO markings, indicating the information is the property of NATO, access to which is limited to representatives of NATO and its member nations unless proper NATO authority has been obtained to release outside of NATO.

**Need-to-Know.** A determination made by the possessor of classified information that a prospective recipient has a requirement for access to, knowledge of, or possession of the classified information to perform tasks or services essential to the fulfillment of a classified contract or program.

**Network.** An AIS term meaning a network composed of a communications medium and all components attached to that medium whose responsibility is the transference of information. Such components may include AISs, packet switches, telecommunications controllers, key distribution centers, and technical control devices.

**Original Classification.** An initial determination that information requires, in the interest of national security, protection against unauthorized disclosure, together with a classification designation signifying the level of protection required. (Only government officials, who have been designated in writing, may apply an original classification to information. )

**Parent Corporation.** A corporation that owns at least a majority of another corporation’s voting securities.

**Personnel (Security) Clearance.** An administrative determination that an individual is eligible, from a security point of view, for access to classified information of the same or lower category as the level of the personnel clearance being granted.

**Possessions.** U.S. possessions are the U.S. Virgin Islands, Guam, American Samoa, Swain’s Island, Howland Island, Baker Island, Jarvis Island, Midway Islands (this consists of Sand Island and Eastern Island), Kingman Reef, Johnston Atoll, Navassa Island, Swan Island, Wake Island, and Palmyra Island.

**Prime Contract.** A contract let by a GCA to a contractor for a legitimate government purpose.

**Prime Contractor.** The contractor who receives a prime contract from a GCA.

**Principal Management Facility.** A cleared facility of an MFO which reports directly to the HOF and whose principal management official has been delegated certain personnel security administration responsibilities for a defined geographical or functional area. The PMF will function as a HOF in relation to its area of responsibility. Both cleared and uncleared facilities may be under the jurisdiction of a PMF.

**Proscribed Information.**

- a. Top Secret information;
- b. Communication Security (COMSEC) information, except classified keys used to operate secure telephone units (STU HIs);
- c. Restricted Data as defined in the U.S. Atomic Energy Act of 1954, as amended;
- d. Special Access Program (SAP) information; or
- e. *Sensitive Compartmented Information (SCI)*

**Protective Security Service.** A transportation protective service provided by a cleared commercial carrier qualified by the Military Traffic Management Command (MTMC) to transport SECRET shipments.

**Public.** Any contractor, subcontractor, Government official, or other individual who does not require access to information (classified or unclassified) in furtherance of the performance of the classified contract under which the information was provided to the contractor or as authorized by this Manual.

**Public Disclosure.** The passing of information and/or material pertaining to a classified contract to the public, or any member of the public, by any means of communication.

**Reference Material.** Documentary material over which the GCA, who lets the classified contract, does not have classification jurisdiction, and did not have classification jurisdiction at the time the material was originated. Most material made available to contractors

by the Defense Technical Information Center and other secondary distribution agencies is reference material as thus defined.

**Regrade.** To assign a higher or lower **security** classification to an item of classified material.

**Remote Terminal.** A device for communication with an automated information system from a location, that is not within the central computer facility.

**Representative of a Foreign Interest (RFI).** A citizen or national of the United States, who is acting as a representative of a foreign interest. (See "Foreign Interest.")

**Restricted Area.** A controlled access area established to safeguard classified material, that because of its size or nature, cannot be adequately protected during working hours by the usual safeguards, but that is capable of being stored during non-working hours in an approved *repository or secured by other methods approved by the CSA.* (See paragraph 5-305.)

**Restricted Data.** All data concerning the design, manufacture, or utilization of atomic weapons; the production of special nuclear material; or the use of special nuclear material in the production of energy, but shall not include data declassified or removed from the **RD** category pursuant to section 142 of the Atomic Energy Act of 1954, as amended.

**SECRET.** The designation that shall be applied only to information or material the unauthorized disclosure of which reasonably could be expected to cause serious damage to the national security.

**Security Cognizance.** The Government office assigned the responsibility for acting for CSAS in the discharge of industrial security responsibilities described in this Manual.

**Security in Depth.** A determination made by the CSA that a contractor's security program consists of layered and complementary security controls sufficient to deter and detect unauthorized entry and movement **within** the facility.

**Security Violation.** Failure to comply with the policy and procedures established by this Manual that reasonably could result in the loss or compromise of classified information.

**Sensitive Compartmented Information.** All Intelligence Information and material that requires special **controls** for restricted handling within compartmented channels and for which compartmentation is established.

**Shipper.** One who releases custody of material to a carrier for transportation to a consignee. (See "Consignor.")

**Short Title.** An identifying combination of letters and numbers assigned to a document or equipment for purposes of brevity.

**Source Document.** A classified document, other than a classification guide, from which information is extracted for inclusion in another document.

**Special Access Program.** Any program that is established to control access, distribution, and to provide protection for particularly sensitive classified information *beyond that normally required for TOP SECRET, SECRET, or CONFIDENTIAL* information. A Special Access Program can be created or continued only as authorized by a senior agency official delegated such authority pursuant to E.O. 12356.

**Standard Practice Procedures.** A document(s) prepared by a contractor that implements the applicable requirements of this Manual for the contractor's **operations** and involvement with classified information at the contractor's facility.

**Subcontract.** Any contract entered into by a contractor to furnish supplies or services for performance of a prime contract or a subcontract. For purposes of this Manual a subcontract is any contract, subcontract, purchase order, lease agreement, service agreement, request for quotation (**RFQ**), request for proposal (**RFP**), invitation for bid (**IFB**), or other agreement or procurement action between contractors that requires or will require access to classified information to fulfill the **performance** requirements of a prime contract.

**Subcontractor.** A supplier, distributor, vendor, or firm that furnishes supplies or services to or for a prime contractor or another subcontractor, who enters into a contract with a prime contractor. For purposes of this Manual, each subcontractor shall be considered as a prime contractor in relation to its subcontractors.



**Subsidiary Corporation.** A corporation in which another corporation owns at least a majority of its voting securities.

**System Software.** Computer programs that control, monitor, or facilitate use of the AIS; for example, operating systems, programming languages, communication, input-output control, sorts, security packages and other utility-type programs. Considered to also include off-the-shelf application packages obtained from manufacturers and commercial vendors, such as for word processing, spreadsheets, data base management, graphics, and computer-aided design.

**Technical Data.** Information governed by the International Traffic in Arms Regulation (ITAR) and the Export Administration Regulation (EAR). The export of technical data that is inherently military in character is controlled by the ITAR, 22 CFR 120.1-130.17 (1987). The export of technical data that has both military and civilian uses is controlled by the EAR, 15 CFR 368.1 -399.2 (1987).

**TOP SECRET.** The designation that shall be applied only to information or material the unauthorized disclosure of which reasonably could be expected to cause exceptionally grave damage to the national security.

**Transclassification.** When information has been removed from the RD category by a joint determination of DOE and DOD and placed in the FRD category in accordance with section 142d of the Atomic Energy Act.

**Transmission.** The sending of information from one place to another by radio, microwave, laser, or other nonconnective methods, as well as by cable, wire, or other connective medium. Transmission also includes movement involving the actual transfer of custody and responsibility for a document or other classified material from one authorized addressee to another.

**Transshipping Activity.** A government activity to which a carrier transfers custody of freight for reshipment by another carrier to the consignee.

**United States and Its Territorial Areas. The 50 states,** the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands (also called Micronesia), Midway Island, Wake Island, Johnson Atoll, Kingman Reef, Swain's Island, and Palmyra Island,

**Unauthorized Person.** A person not authorized to have access to specific classified information in accordance with the requirements of this Manual.

**United States. The 50 states and the** District of Columbia.

**United States Citizen (Native Born).** A person born in one of the following locations is considered to be a U.S. citizen for industrial security purposes: the 50 United States; District of Columbia; Puerto Rico; Guam; American Samoa; Northern Mariana Islands; U.S. Virgin Islands; Panama Canal Zone (if the father or mother (or both) was, or is, a citizen of the U.S.); the Federated States of Micronesia; and the Republic of the Marshall Islands.

**U.S. Person.** Any form of business enterprise or entity organized, chartered or incorporated under the laws of the United States or its possessions and trust territories and any person who is a citizen or national of the United States.

**Upgrade.** A determination that certain classified information, in the interest of national security, requires a higher degree of protection against unauthorized disclosure than currently provided, coupled with a changing of the classification designation to reflect such a higher degree.

**Voting Securities.** Any securities that presently entitle the owner or holder thereof to vote for the election of directors of the issuer or, with respect to unincorporated entities, individuals exercising similar functions.

**Working Hours.** The period of time when:

- a. There is present in the specific area where classified material is located, a work force on a regularly scheduled shift, as contrasted with employees working within an area on an overtime basis outside of the scheduled workshift; and
- b. The number of employees in the scheduled work force is sufficient in number and so positioned to be able to detect and challenge the presence of unauthorized personnel. This would, therefore, exclude janitors, maintenance personnel, and other individuals whose duties require movement throughout the facility.